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SUBJECT: MONGOLIAN GOVT SEEKS UPDATES ON PENDING BILATERAL AGREEMENTS

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11. (U) This is an action cable. See actionS requested in para 9.

12. (SBU) SUMMARY: Mongolian Foreign Ministry Americas Deputy Director General Mounkhou invited the DCM to the Ministry on August 8 to request updates on several pending bilateral agreements ahead of President Enkhbayar's anticipated October visit to Washington. DG Mounkhou asked for clarity on the status of the Millennium Challenge Account (MCA) Compact Agreement, the Comprehensive Partnership Framework Agreement, and the Cultural Heritage Agreement. The GOM also asked that President Enkhbayar's visit be an "official" visit, expressed continued concern about reductions in USAID assistance to Mongolia, and called on the USG to increase the number of scholarships for Mongolian university students. END SUMMARY.

13. (SBU) Mounkhou, MFA Director General for the Americas, Africa and Middle East, told DCM on August 8 that the Government of Mongolia would like to conclude several pending bilateral agreements in conjunction with President Enkhbayar's proposed visit to Washington in mid- to late October. Mounkhou said:

-- The MCA Compact Agreement is working its way through the GOM bureaucracy and, as far as the Mongolian side is concerned, will be ready for finalization in the near future.

-- Regarding the (GOM-proposed) Comprehensive Partnership Framework Agreement, the GOM would like a formal USG response. He added that the GOM would then respond accordingly.

-- A year ago, the USG proposed a Cultural Preservation Agreement. The GOM seeks an update on the status of this agreement. If the agreement cannot be concluded in the near future, the GOM is interested in concluding it at a later point.

14. (SBU) The DCM noted good progress was being made by both sides toward concluding the MCA Compact Agreement, and said he would convey to Washington the request for a responses with respect to the other agreements.

"OFFICIAL" VISIT SOUGHT

15. (SBU) The MFA asked whether President Enkhbayar's envisioned October visit to Washington was categorized as "official." DCM said this was a White House call. Mounkhou then made clear that the Mongolians favor an official visit, given the high level of bilateral relations, the fact that President Bush personally issued the invitation to President Enkhbayar, and this year the two nations celebrate the 20th anniversary of the establishment of diplomatic ties. Mounkhou noted that two had held an office meeting during the 2004 Summit and the GOM hoped this year's meeting would be bumped to a higher level.

FOLLOWUP QUESTION ON ASSISTANCE

16. (SBU) On the issue of reduced USAID assistance to Mongolia, the D/DG pointed out that Foreign Minister Enkhbold had sought EAP Assistant Secretary Christopher R. Hill's assistance in preserving and expanding assistance levels. Mounkhou said MFA hoped it might receive a response from A/S Hill in this regard.

SCHOLARSHIP INCREASE DESIRED

17. (SBU) D/DG Mounkhou said the GOM sought an increase in the number of U.S. scholarships offered to Mongolian university students, adding that this issue also was discussed with A/S Hill, but that no response had reached the GOM. DCM said that the request is still being examined, and urged the Mongolians to recognize that education in the United States, unlike in Mongolia, is highly decentralized, and handled largely at the state and local level. Viewed on a

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nationwide scale, the DCM added, the number of overall scholarships to Mongolians has increased over the past year or so. D/DG Mounkhou then said that if the U.S. side has any positive news about scholarships for Mongolians, the GOM would be delighted if that information could be conveyed during President Enkhbayar's visit.

M.O.U. ON W.M.D.-COMPONENT DETECTION; PSI

18. (SBU) The DCM asked where the Mongolian side stood on the proposed Memorandum of Understanding regarding assistance on preventing WMD proliferation under on UNSC 1540. Mounkhou replied that the Cabinet had accepted the MOU, which had been submitted to a Standing Committee. (Note: Word reached us on August 9 that the GOM has designated the Ministry of Finance as the signer of the MOU, and that it would be ready for signing possibly during the upcoming visit of a U.S. Department of Energy border inspection team's visit at month's end.) Mounkhou also understood that progress had been made regarding the possibility of concluding a Proliferation Security Initiative (PSI) agreement and promised an update on its status in the next few days.

19. (U) ACTION REQUESTED: Post would appreciate receiving responses to the questions posed at Washington's earliest convenience.